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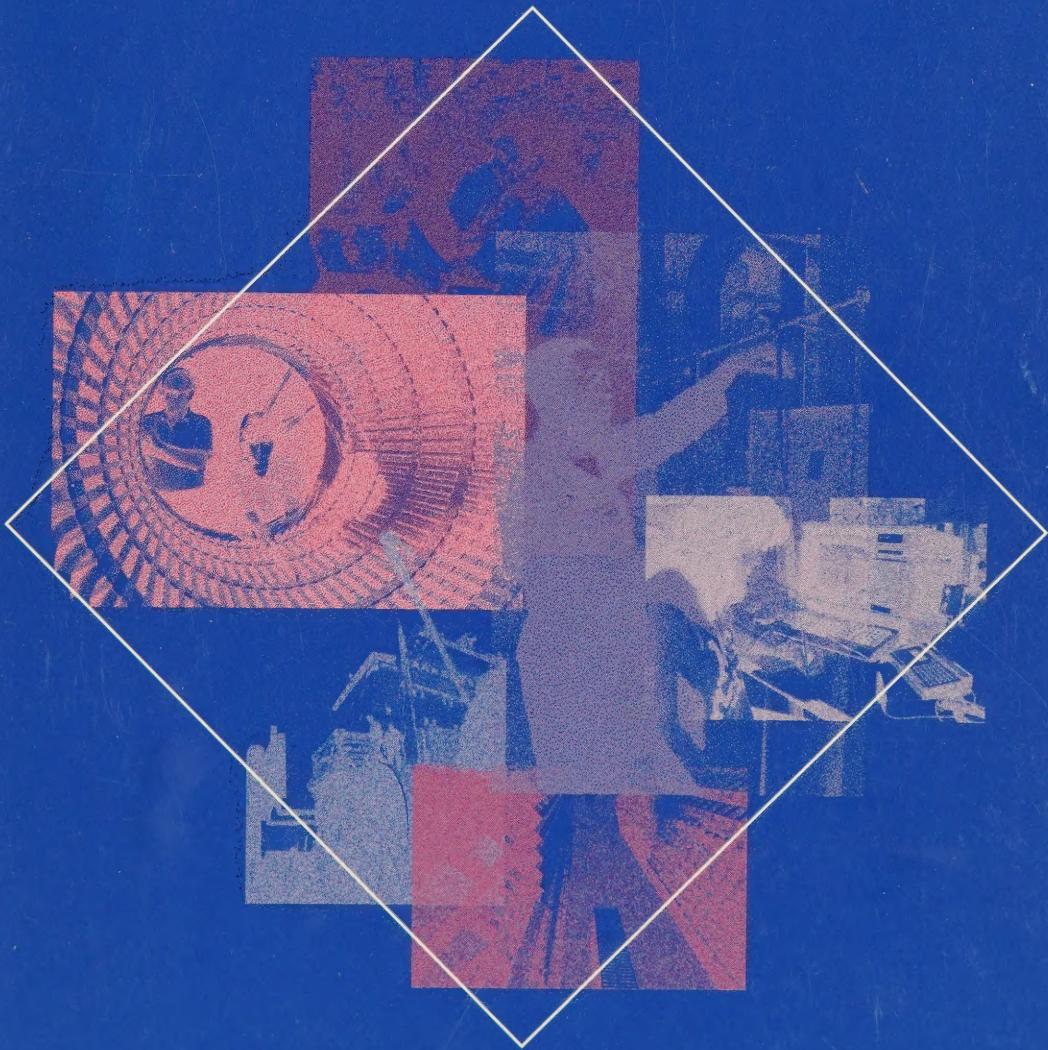
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the DEVELOPMENT Corporations of ONTARIO

ANNUAL

1992

1993



REVIEW

Our Business...

The Development Corporations of Ontario are Crown agencies of the Ministry of Economic Development and Trade working in cooperation with Ontario businesses, traditional lending institutions and other government ministries and agencies to stimulate economic growth in the province.

The four Corporations specialize in meeting the regional economic needs of businesses: Ontario Development Corporation (ODC) serves central and southwestern Ontario; Northern Ontario Development Corporation (NODC) serves northern Ontario; Eastern Ontario Development Corporation (EODC) serves eastern Ontario; and Innovation Ontario Corporation (IOC) serves the province's technology-based companies.

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Minister
Deputy Minister

Board Chairs
Ontario Development Corporation
Northern Ontario Development Corporation
Eastern Ontario Development Corporation
Innovation Ontario Corporation

President and Chief Executive Officer
Vice-President (acting), Lending Operations
Vice-President (acting), Finance and Administration
Vice-President and Managing Director,
Innovation Ontario Corporation

The Honourable Frances Lankin
Peter Barnes

Gordon Cowperthwaite
Patricia Neilson
Louise Tardif
Jack Ripley

Susan Strelloff
John Symington
Margaret LaPierre

Jim Orgill



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About Ontario's Development Corporations

The Development Corporations of Ontario lead the efforts of the provincial government to encourage economic development in Ontario, in order to create and retain jobs.

The Development Corporations' main function is to help firms grow and expand by providing financial assistance in the form of loans, loan guarantees and equity

investments. The Corporations' participation often reassures and encourages traditional lenders, making private sector financing more likely to be secured.

Together, the Corporations administer a financial portfolio of nearly \$1 billion in loans, debentures, loan guarantees and equity investments.

Achieving Our Objectives

The Development Corporations foster the creation of new companies, and help existing businesses in three main ways:

1. Financial services

Loans - Direct loans of up to \$500,000 are available at competitive interest rates.

Loan Guarantees - The Corporations guarantee loans, arranged through private financial institutions, up to \$1 million.

Export Support Loans - A revolving line of credit up to \$1 million is available to finance export receivables.

Venture Capital - Innovation Ontario invests up to \$1 million in technology-based companies in exchange for shares.

2. Advisory services

The Corporations provide technical, business and financial information as well as guidance to firms seeking assistance.

3. Industrial and Technology Parks

The Corporations provide sites, premises, equipment, facilities and services at competitive rates.

Our Programs

The Development Corporations offer help to Ontario businesses through a variety of programs, each one designed to meet specific needs.

Export Support Loan Program (ESL)

Because the success of so many small and medium-sized Ontario firms depends on export markets, the Export Support Loan program provides a revolving line of credit for up to 90 per cent of the invoice value of shipped goods or services, to a maximum of \$1 million, for up to 180 days. Eligible companies are either new exporters or exporters that are shipping to markets where no commercial lenders are willing to accept foreign accounts receivable as security.

New Ventures

To encourage new business start-ups, the New Ventures program provides loan guarantees of up to \$15,000 to Ontario's entrepreneurs. In most cases, New Ventures applicants must make a contribution equal to the amount of the loan.

Youth Ventures

The Youth Ventures program guarantees loans of up to \$7,500 to financial institutions lending to young entrepreneurs. To be eligible, applicants must be under 30 years of age and not attending school full-time.

Aboriginal Business Ventures

In order for the Corporations to be more effective in reaching out to Ontario's native peoples, the Aboriginal Business Ventures program was launched in September 1993. Designed to serve the distinct needs of new and existing Aboriginal businesses, the program begins as a 12-month pilot project, conducted in the First Nations communities

of Akwesasne, Moose Factory, Manitoulin Island and North Shore.

Manufacturing Recovery Program (MRP)

The Manufacturing Recovery Program offers financial assistance to small and medium-sized manufacturing companies through loans and loan guarantees. Though it was originally introduced to help firms struggling through the recession, its primary focus has shifted. Recognizing that Ontario is now climbing out of the recession, MRP now concentrates on helping viable firms develop and fund projects.

Other Government Assistance Programs

In addition to their own programs, the Development Corporations administer loans on behalf of other government ministries and agencies including the Ministry of Economic Development and Trade, the Ministry of Culture, Tourism and Recreation, the Ministry of Finance, the Ministry of Agriculture and Food, the Ministry of Northern Development and Mines and the Northern Ontario Heritage Fund Corporation.

Industrial, Research and Technology Parks

ODC has been involved with industrial, research and technology Parks for over 25 years. ODC currently manages Huron Industrial park, located just south of Exeter, and Northam Industrial Park in Cobourg. A new project under development is the Ottawa Life Sciences Technology Park.

Each park is a small-scale regional economic development initiative, providing space for private manufacturers, researchers and scientists at competitive rental lease rates.

The Year in Review: 1992-93 Highlights



ccomplishments of the Development Corporations in fiscal 1992-93 included the following highlights:

- ▲ The four Development Corporations approved loans, loan guarantees and investments valued at more than \$257 million to more than 4,200 businesses across Ontario.
- ▲ In 1992-93 jobs created or retained by businesses assisted by the Development Corporations totalled 41,200, an increase of more than 15 per cent over the previous year.
- ▲ The three regional Corporations -- ODC, NODC and EODC -- approved 634 loans and loan guarantees totalling \$191 million for manufacturers (including MRP), exporters and tourist operators.
- ▲ Innovation Ontario approved 63 proposals totalling a record high \$18.6 million in investments to small technology-based companies.
- ▲ New Ventures helped 3,536 small businesses in starting up last year with \$48 million in financial assistance. Current program clients employ almost 47,000 people.
- ▲ The Manufacturing Recovery Program approved \$28 million in assistance to 36 companies in Ontario's manufacturing sector.
- ▲ In addition, loans disbursed through the Export Support Program reached record levels, providing almost \$82 million in export assistance to finance foreign goods receivables.
- ▲ About 81 per cent of all loans and guarantees approved by the Development Corporations were directed to the province's manufacturing sector, with 6 per cent to the tourism industry, 2 per cent to transportation and communication activities, 1 per cent to service-oriented businesses, and 10 per cent to other types of businesses.

The Boards of Directors

Comprised of private citizens representing all regions of Ontario and a range of business and professional interests within those regions, the Boards of Directors form an important link between the Development Corporations and Ontario's business community.

Board members perform a vital role by drawing on their own extensive business experience, as well as their personal

knowledge of the economic needs of their particular region or industry.

The Boards recommend policies affecting the Development Corporations, and review and approve applications for financial assistance to small and medium-sized businesses.

In addition to these duties, the Boards take an active part in supervising the affairs of the Corporations, including programs, lending practices and administration.

ONTARIO DEVELOPMENT CORPORATION

Gordon Cowperthwaite, *Toronto - Chair*
Yvonne Blackwood, *Markham*
Shirley Dawe, *Toronto*
Robin Devine, *Toronto*
Dawn Madahbee, *Manitoulin Island*
Walter Muroff, *Windsor*
Patricia Neilson, *Fort Frances*
Jack Ripley, *Chatham*
Louise Tardif, *Ottawa*
William Wen, *Toronto*

RETired MEMBERS:

Trent Gow, *Toronto, Vice-Chair*
Rafique Dawood, *Toronto*
Ivy Hooper, *Toronto*
Zdenek Kvarda, *Belleville*

NORTHERN ONTARIO DEVELOPMENT CORPORATION

Patricia Neilson, *Fort Frances - Chair*
Harry Braun, *Thunder Bay*
Louise Cantin, *Timmins*
Anthony Carfagnini, *Thunder Bay*
Maurice Guertin, *Kapuskasing*
Dawn Madahbee, *Manitoulin Island*
Nelson McKay, *Sault Ste. Marie*
Jose Mut, *North Bay*

RETIRED MEMBERS:

Barrie Brayford, *New Liskeard, Vice-Chair*
James Lanzo, *Sudbury*
Maurice Rochefort, *North Bay*

EASTERN ONTARIO DEVELOPMENT CORPORATION

Louise Tardif, *Ottawa - Chair*
Daniel Brant, *Ottawa - Vice-Chair*
Roger Blackmore, *Peterborough*
Patricia Blackstaffe, *Ottawa*
Neil Burke, *Cornwall*
Norman Carroll, *Pembroke*
Ann Clarke-Okah, *Ottawa*
Cathy Dewar, *Ottawa*
Roger Légaré, *Ottawa*
Nicholas Sidor, *Ottawa*

RETIRED MEMBERS:

Zdenek Kvarda, *Belleville - Chair*
Ivy Hooper, *Toronto*

INNOVATION ONTARIO CORPORATION

Jack Ripley, *Chatham - Chair*
Monique Oaks, *Ottawa - Vice-chair*
Daniel Corbett, *Brockville*
Steve Denison, *West Carleton*
Trent Gow, *Toronto*
Linda Gratton, *Peterborough*
Dennis Luc, *London*
Deborah Nesbitt, *Ottawa*
Jo-Anne Raynes, *Toronto*
Birbal Singh, *Thunder Bay*
Ronald Struys, *Toronto*

RETIRED MEMBERS:

Donald Green, *Burlington - Chair*
Gerhard Meinzer, *Schomberg - Vice-Chair*
Barrie Brayford, *New Liskeard*
Penny Davies Bunge, *Ottawa*
Hanny Hassan, *London*
Christopher Trump, *Toronto*

Message from the President and Chief Executive Officer

Creating and retaining jobs for the people of Ontario, by helping to establish and expand viable businesses, continues to be the driving force behind the programs and services offered by the Development Corporations.

In conjunction with the Ministry of Economic Development and Trade, as well as the rest of the provincial government, the Corporations play a key part in the economic renewal of Ontario. An estimated 41,200 jobs were to be created or maintained in companies which received assistance through the Development Corporations in 1992-93.

Our purpose is to help firms become more successful so that they can obtain financing from traditional lending institutions. The Corporations do not compete with the private sector, nor are we in the business of providing grants or "idea" financing. Ours is a supporting role: we work with potentially viable companies until they are able to stand on their own.

In 1992-93, the activities of the Development Corporations reflected our commitment to respond quickly and appropriately to the needs of the province's business communities.

We assisted a wide range of clients, with small business loan guarantees averaging \$13,000, for individuals starting up new businesses, to financing of more than \$1 million, for established companies in well-recognized industrial sectors.

We met the increased demand for export assistance with a record number of loans disbursed through the Export Support program. Helping Ontario's exporters on the road to global competitiveness is an important component of Ontario's industrial policy framework. Innovation Ontario also enjoyed a record-setting year, providing venture capital for early stage, technology-based firms.

As Ontario started to move out of the economic recession, the mandate of the Manufacturing Recovery Program was revised. No longer is the program aimed at simply helping companies weather hard times. The MRP now provides financial assistance to companies ready to expand but not yet able to successfully approach traditional lenders.

In an effort to make our programs more accessible to all members of society, our New Ventures program was expanded. The Corporations now administer Youth Ventures and, in September 1993, launched Aboriginal Business Ventures, a 12-month pilot project. Meeting broader social goals will continue to be a priority in the coming year, as we attempt to increase awareness of the Development Corporations among Ontario's visible minorities.

Sustaining businesses and keeping Ontario people employed has to be balanced with prudent protection of taxpayers' money. One issue to be addressed in the future is how the Development Corporations of Ontario price and cost their business. We

plan to review our programs to ensure we are charging appropriately for the services we provide.

More important, in the coming year, we must continue to strengthen the Corporations' "control culture". The fact that we deal with higher risk than the private sector does not mean the Corporations should be any less stringent in our monitoring procedures.

Similarly, we must remember that the Corporations are operating within a period of general budget constraint, and we must continue to work efficiently and effectively with fewer resources. I am pleased to report that administrative expenses in 1992-93 declined by almost \$500,000 over the preceding fiscal year. Additional measures have been taken to further reduce costs, including the closing of three field offices. Overall net cost of operations declined by \$9.8 million over the previous year, in part because of improved account administration and lending procedures.

When I assumed the position of president and chief executive officer on July 19, 1993, I did so with faith in the abilities, spirit and determination of Ontario's greatest resource, its people. That faith has been confirmed in my first months at the Development Corporations. My confidence in the professionalism and commitment of our staff continues to grow. I thank them for their dedication and resourcefulness over the past year.

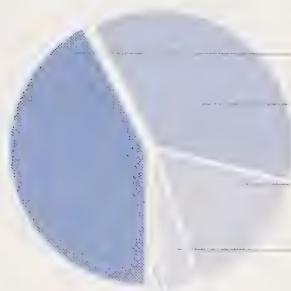
In addition, I would like to express my sincere appreciation to our Board members and to our Minister for their advice and support during this challenging time.



Susan Strelloff
President & Chief Executive Officer

Portfolio Summary

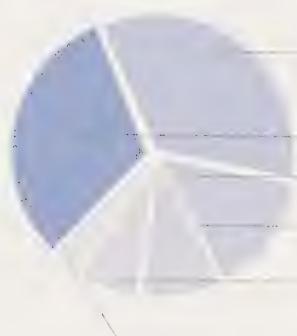
Dollar Value of All Assets Under Administration, broken down by types of assistance offered
(as at March 31, 1993)



Loan Guarantees	\$377.7M
Loans and Debentures	\$330.0M
Repayable Grants and Conditional Loans	\$142.1M
Equity Investment/Royalty Interests	\$30.7M
Export support Program Lines of Credit	\$16.8M
Total	\$897.3M

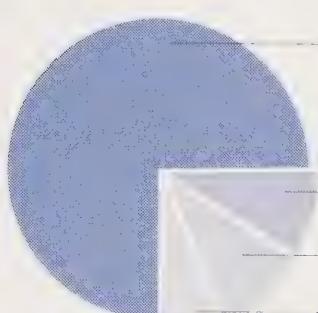
Although loan guarantees under administration were up by over \$9 million from fiscal 1991-92, outstanding amounts of other types of assistance were all down. The Development Corporations' total financial portfolio decreased to \$897 million in 1992-93, compared to 1991-92's \$953 million.

Dollar Value of Approved Assistance Funded by Ministries and Agencies, Administered by the Development Corporations
(as at March 31, 1993)



Ministry of Economic Development and Trade	\$215.5M
New Ventures	\$197.7M
Ministry of Culture, Tourism & Recreation	\$87.5M
Northern Ontario Heritage Fund Corporation	\$56.6M
Ministry of Finance	\$44.1M
Other	\$20.4M
Total	\$621.8M

Dollar Value of Loans, Guarantees and Investments Funded and Administered by the Development Corporations (as at March 31, 1993)



Direct

Loans and debentures	\$112.4M
Loan guarantees	\$36.4M
Equity; investment/Royalty interest	\$30.7M
Repayable grants and forgivable loans	\$26.6M
Total	\$206.1M

Manufacturing Recovery	\$25.3M
Tourism	\$27.4M
Export Support Program	\$16.8M
Total	\$275.6M

Regional Summary

The three regional Corporations tailor their assistance to reflect the economic needs of their respective areas. As members of the communities they serve, business

development specialists in the Corporations' field offices are knowledgeable on local business conditions and economic opportunities.

Ontario Development Corporation (ODC)

ODC, which focuses on developing industry and tourism in central and southwestern Ontario, has six field offices. In 1992-93, the Corporation approved more than \$161 million in financial assistance to more than 2,700 companies. Loans and guarantees to 249 manufacturing companies totalled more than \$119 million, while 13 tourism operations received loans and guarantees of almost \$3 million. Under the

New Ventures program, ODC approved \$34 million in loan guarantees to assist the start-up of 2,473 new companies in the region. As well, \$5 million in lines of credit disbursed through the Export Support Program helped finance receivables for 11 new exporters.

The following charts provide an overview of loans and guarantees approved by ODC in 1992-93.

Number of ODC Commitments Approved

1992-93



New Ventures	2,473
Manufacturing	249
Tourism	13
Export	11

ODC Loans, Guarantees and Lines of Credit Approved

Dollar value in \$millions 1992-93



Manufacturing	\$119.4M
New Ventures	\$33.7M
Export Support	\$5.2M
Tourism	\$2.9M

ODC Profile - Pathex International Ltd., Don Mills

Pathex International manufactures and sells machine tools and hydraulic presses. Founded in 1952 by the Kosa family, the company produced specialized presses for the rubber, plastics, aluminum and metal-forming industries in North America.

After the Kosas sold the firm in 1983, profits plummeted. Three years later, Charles Kosa Jr., who had been one of Pathex's original managers, decided to join forces with five other former employees to buy back the company. "We knew the business and the customers, and were confident that, despite its current problems, Pathex was basically sound," says Kosa, now company president.

Armed with a loan from the Ontario Development Corporation, and with access to an Export Support Loan, Kosa and his

team approached traditional lending institutions for additional financing. "ODC gave us the credibility we needed when we went to the banks for equipment loans," says Kosa. "Without that help, the deal would not have come together."

ODC's confidence in the viability of Pathex was justified. Within a year, Kosa was able to hire 25 people. By the following year, sales had doubled, and he added another 25 employees. Today the company employs 85 people, including engineers and skilled technicians. About 70 per cent of sales are to the international market, including China and Germany, with the remaining 30 per cent to the United States.

Thanks, in part, to a second ODC loan, approved in 1992, Pathex has been able to

update equipment, expand its product line to meet the unique needs of the wood industry, and aggressively pursue export opportunities in the Pacific Rim countries.

Says Kosa: "We've discovered that, if we keep our prices reasonable and our quality high, people all over the world are happy to buy Canadian."

Northern Ontario Development Corporation (NODC)

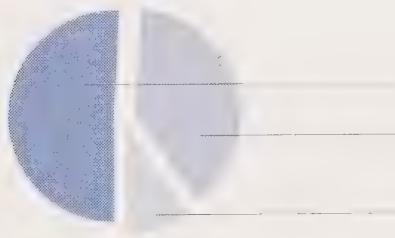
Serving Ontario's largest region through five field offices, NODC plays a key role in fostering community economic development. As well as its own programs, NODC delivers the NORFUND program, which offers loans to manufacturing and processing industries in northern Ontario, and the TRIP and Destinations North programs, which provide incentive term loans and guarantees to northern tourism operators.

During the 1992-93 fiscal year, NODC approved more than \$53 million in financial

assistance to 589 businesses in northern Ontario. Almost \$43 million in loans and guarantees assisted 231 manufacturing operations, while 59 tourism operators received more than \$6 million in financial assistance. New Ventures loan guarantees totalling almost \$4 million were approved to help start up 299 new companies.

The following charts provide an overview of loans and guarantees approved by NODC in 1992-93.

**Number of NODC Commitments Approved
1992-93**



New Ventures	299
Manufacturing	231
Tourism	59

**NODC Loans and Guarantees Approved
Dollar Value in \$millions 1992-93**



Manufacturing	\$42.8M
Tourism	\$6.5M
New Ventures	\$3.9M

NODC Profile - Proboard Ltd., Atikokan

What employee hasn't dreamed of buying the company they work for, then making that company boom? With help from NODC, Tom Plouffe, general manager for four years of Proboard, has seen his dream become reality.

Proboard, an Atikokan-based manufacturer of high-quality particle board, had shut down operations and issued termination notices to its 130 employees when Plouffe purchased it in the fall of 1991. Although he had arranged private financing to cover the purchase, he needed immediate funds to keep the business running. The Province stepped in with a substantial loan guarantee administered by NODC. "Had I not received this assistance," says Plouffe, "the plant, which is this community's major

employer, would have had to close permanently."

As the North American market began to recover, Plouffe decided to diversify Proboard's product line. Then in 1992, NODC approved an Export Support Loan to help the firm finance sales to the United States. Through a combination of hard work and smart planning, Proboard has succeeded in weathering the economic recession. The company is once again operating at full capacity, seven days a week, 24 hours a day.

"Our long-term objective," says Plouffe, "is to penetrate additional markets. Proboard will grow if we continue to add value to our products and if we continue to pursue as many different avenues as possible."

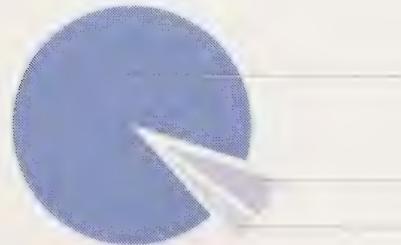
Eastern Ontario Development Corporation (EODC)

EODC has three field offices serving the people of Ontario's eastern region. During the past fiscal year, the Corporation approved more than \$24 million in financial assistance to 835 businesses. This includes over \$11 million in loans and guarantees to 44 manufacturing companies. In 1992-93, more than \$3 million in loans and guarantees were approved for 27 tourist operators in the

region -- an increase over the \$2 million approved for 18 tourist operators in 1991-92. In addition, more than \$10 million in New Venture loan guarantees were approved for 764 new businesses.

The following charts provide an overview of loans and guarantees approved by EDOC in 1992-93.

Number of EODC Commitments Approved
1992-93



Category	Number of Commitments
New Ventures	764
Manufacturing	44
Tourism	27

EODC Loans and Guarantees Approved Dollar value in \$millions 1992-93



EODC Profile - NHB Industries Ltd., Peterborough

Although the recession has been hard on the wood-working industry, NHB Industries is now flourishing, thanks, in part, to EODC.

NHB sales slumped during the recession despite the fact the Peterborough manufacturer supplied ready-to-assemble kitchen cabinets and bathroom vanities to the growing home improvement market. With the help of the Manufacturing Recovery Program, NHB Industries hired an outside consultant to develop a recovery plan.

"The consultant worked with our management team to make the company more competitive," explains NHB's founder and president, Miro Nowak. "We followed through on the recommendations, which included expanding sales in the U.S. and Western Canada, making our operation more efficient, and boosting our production capacity. We also recruited a marketing expert to manage the company's retail outlet." In addition, an EODC loan guarantee helped NHB finance the purchase

of new production equipment and machinery.

It was a winning recipe for NHB Industries. Today NHB has expanded into the world export market with no loss of Canadian business. NHB has widened its product lines and met increased customer demand by doubling previous production levels.

The economy of the entire region has reaped the benefits of the company's success. NHB Industries is now the sixth-largest industrial employer in Peterborough. Its staff increased from 15 employees in 1986 to more than 200 today. NHB anticipates another 100 jobs will be created in the next five years.

"We would not have been able to achieve our present rate of growth without the assistance of the EODC," says Nowak. "We are now in a better position to compete effectively in a tough world market."

Innovation Ontario Corporation

Innovation Ontario identifies early stage, technology-based firms requiring investment funding to market their innovative products.

Because these firms often have difficulty acquiring financing from traditional sources of venture capital, Innovation Ontario exists as an alternative. Unlike the regional Development Corporations, Innovation Ontario does not provide loans; instead, its financial assistance involves equity participation, usually through the purchase of company shares. The considerations made by the Corporation before investing are very similar to those of private sources of venture capital, but Innovation Ontario adds flexibility to account for the risks associated with very young companies.

Initial investments of \$200,000 to \$400,000 are available to clients, with follow-on investments, in subsequent years, of up to a total of \$1 million per company. Since it was established seven years ago, the

Corporation has approved 372 proposals, representing a capital investment of more than \$66.2 million.

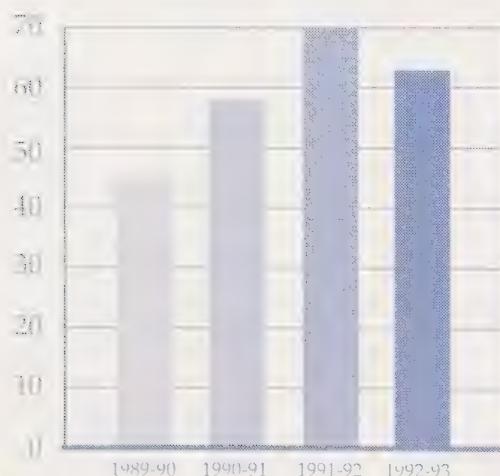
After an investment is made, the Corporation retains an ongoing interest until the business reaches a point where it can attract sufficient private sector investment to ensure sustained profitability. At that point, Innovation Ontario is prepared to sell its investment at a fair market value.

Innovation Ontario maintained a record high level of investment in 1992-93 with approved capital investments valued at nearly \$19 million. Innovation Ontario's current portfolio is comprised of 242 investments in early stage, technology-based firms, valued at nearly \$28 million.

By providing venture capital, Innovation Ontario supports firms that are embarking on many of the latest technologies and contributing to the creation of jobs for highly skilled Ontarians.

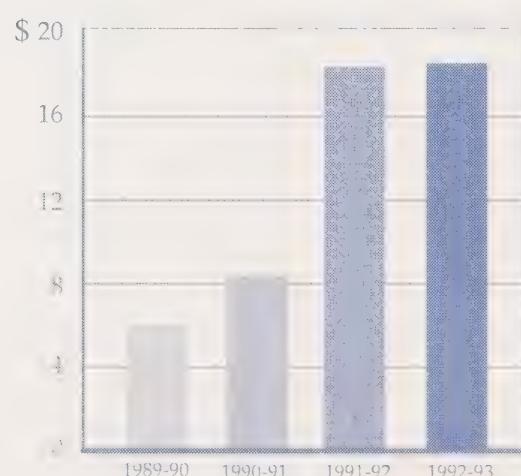
Innovation Ontario Corporation

Number of investments approved



Innovation Ontario Corporation

Capital investments approved, in \$millions



Innovation Ontario Corporation Profile - Power Vision Data Systems Corporation, Richmond Hill

Picture this: a computer system that can copy the image of a person or an object and turn it into a computer image, then correlate that image with other information such as signatures and fingerprints to create a complete identification of the person or object. This is the technology that has made Richmond Hill's Power Vision Data Systems Corporation a world leader in computer imaging.

Since its inception in 1986, Power Vision has developed sophisticated software that can, for example, record and reproduce colour images of gems so accurately that those images can be transmitted electronically to identify and catalogue precious stones. "Our imaging technology represents colours as accurately as they appear in real life," says company president Henry Peralta.

Power Vision's technology can be used to produce passports, drivers' licences and other identification cards, as well as for cataloguing, inventory control and multi-media applications. Organizations which

require identity verification in high-security environments, including banks, embassies and manufacturers, have already expressed strong interest in the software. Power Vision is currently negotiating with provincial governments in Canada, and with groups in Europe, Latin America, the U.S., Mexico, South America, the United Kingdom and Japan. The company expects to reach sales of \$50 to \$100 million, and to employ as many as 250 people, within the next three years.

And yet, without Innovation Ontario, Power Vision could not possibly have achieved all this in such a short time. "Investments from Innovation Ontario allowed us to implement some of our systems and, more importantly, do additional marketing," says Peralta. "For us, Innovation Ontario really meant the difference between sales and no sales. When the government helps high-tech companies like ours to succeed in the export market, it gives us an edge not only within the industry, but in creating high-calibre jobs for the people of Ontario."

New Ventures

To help people start new businesses, New Ventures offers Ontario entrepreneurs guarantees of up to \$15,000 on personal loans from participating financial institutions.

One of the Development Corporations' most popular services, New Ventures loan guarantees totalling \$334 million have helped launch more than 25,000 new businesses since the program's inception in 1986. During the 1992-93 fiscal year, New Ventures helped 3,536 enterprises get off the ground with \$48 million in loan guarantees.

The New Ventures program exists because the Development Corporations

recognize the significant contributions small businesses make to the growth of the provincial economy and to job creation. A typical New Ventures business creates two full-time jobs in addition to the owner's position. In 1992-93 alone, more than 10,200 positions were created or retained through New Ventures guarantees.

The following chart provides a breakdown by economic sector of financial assistance provided through New Ventures in 1992-93.

New Ventures 1992-93 Approvals, by Sector



New Ventures Profile - Aquatech Laundry Systems Inc., Toronto

To the mother and son entrepreneurial team of Elodie and Scott Sandford, the New Ventures program has meant the opportunity to develop their business and target a growing market.

Since setting up shop in 1989, the Sandfords have become contenders in Toronto's competitive linen supply industry. Aquatech, operating as Master Linen, provides clean, high quality cotton tablecloths and napkins to upscale restaurants, hotels and caterers. The company leases fresh linens to its customers, then regularly picks up their soiled ones for laundering.

Aquatech's owners originally conceived of the business as a personal laundering service. With financial assistance from the New Ventures program, they were able to pay their rent, print up advertising flyers and purchase a delivery truck.

Though Aquatech achieved only a few billings in its first few months of operation, the Sandfords had discovered a potentially

lucrative and unfilled market for reasonably priced, high-quality linens in the hospitality industry. Armed with contacts and expertise gained from their first few months in business, and with the help of additional private financing, Aquatech switched gears and began operating as a commercial and industrial linen supplier.

Billings shot up in Aquatech's second year, and continued to increase each year. Today, the company employs 19 people as well as Elodie and Scott. Says Scott Sandford: "It's been tough doing business in a recession, but we've found customers are willing to consider a new idea if it will save them money or provide better service."

The Sandfords are grateful to New Ventures for both the financial help and the program's requirement that applicants develop a business plan. "We've used the same principles of business planning to take us through each phase of the company's development," says Scott.

Manufacturing Recovery Program (MRP)

The original purpose of the Manufacturing Recovery Program, launched in 1991, was to assist fundamentally sound manufacturing firms which were experiencing short-term financial difficulties due to the recession and general economic restructuring. The intent of MRP was not only to help firms weather the economic downturn, but also to position them for long-term strategic growth in the new global economy. Through the program, the Corporations provided funding and management advice.

Since MRP's inception, 46 loans totalling almost \$32 million and 26

guarantees valued at \$26.4 million have been approved. In 1992-93, 5,600 jobs were to be created or retained through MRP.

While MRP was conceived as a one-year program, it has since been extended to March 31, 1994. Recognizing that Ontario is moving out of its recession, the primary focus of the program has recently shifted. MRP now concentrates on providing financial support to viable companies, in a growth mode, that traditional lenders are not yet prepared to assist.

MRP Profile - Glengarry Industries Ltd., Guelph

Glengarry Industries Ltd. has turned up the heat on the competition, thanks, in part, to the Development Corporations' Manufacturing Recovery Program.

Based in Guelph, Glengarry Industries is Canada's largest producer of electric heating elements and other related products for the home and commercial appliance industries. The company's products are used in ranges, ovens, defrosters, water heaters, space heaters and tabletop appliances.

Though an established company, Glengarry lacked the resources to make the changes needed to compete in the new global marketplace. "MRP has fast-tracked our ability to stay competitive and grow our business," says owner and president Leonard Quinn.

With the help of a term loan, Glengarry plans to upgrade its manufacturing facilities

over the next three years. By investing in state-of-the-art equipment and employee training, the company will be able to significantly increase its production capacity. "We plan to expand our business in Canada by continuing to satisfy our existing customers while also developing innovative product lines to attract new customers," says Quinn. "We'll also begin exporting to the United States and Europe." Currently offering jobs to 130 people, the company anticipates it will soon need another 70 employees.

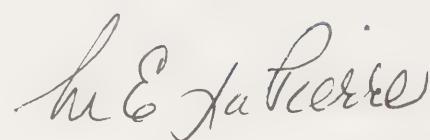
Says Quinn: "The Manufacturing Recovery Program is an excellent example of how private industry, the Ontario government, traditional financial backers and employees can work together to ensure Canadian manufacturers remain successful in a very competitive environment."

Financial Statements for 1992-93

The combined financial statements contained in this annual review have been prepared by management in accordance with the accounting policies outlined in Note 2. The format of these statements is consistent with that of the 1991-92 annual review.

To ensure the integrity and objectivity of the corporate financial data presented in this annual review, management maintains a system of internal control to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

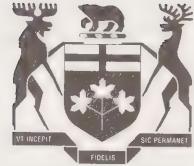
The Boards of Directors are responsible for ensuring that management fulfils its responsibility for financial reporting and control. They exercise this responsibility through the Audit Committee of the Boards, which is made up of directors who are not employees of the Corporations. The Audit committee meets regularly with both management and the external auditors.



Margaret LaPierre
Vice-President (acting),
Finance and Administration



Susan Strelloff
Chief Executive Officer



THE DEVELOPMENT CORPORATIONS

Combined Financial Statements
for the year ended March 31, 1993

AUDITORS' REPORT

To the Ontario Development Corporation,
Northern Ontario Development Corporation,
Eastern Ontario Development Corporation,
Innovation Ontario Corporation,
and to the Minister of Economic Development and Trade

I have audited the combined balance sheet of The Development Corporations consisting of Ontario Development Corporation, Northern Ontario Development Corporation, Eastern Ontario Development Corporation and Innovation Ontario Corporation as at March 31, 1993 and the combined statements of operations, investment by the Province of Ontario and cash flows for the year then ended. These financial statements are the responsibility of the corporations' managements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing

the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these combined financial statements present fairly, in all material respects, the financial position of The Development Corporations as at March 31, 1993 and the results of their operations and the changes in their financial position for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

Toronto, Ontario,
June 18, 1993



Erik Peters, C.A.
Provincial Auditor

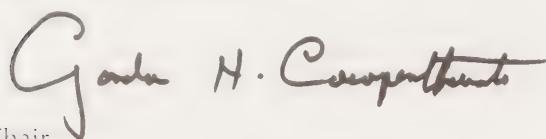
THE DEVELOPMENT CORPORATIONS

Combined Balance Sheet as at March 31, 1993

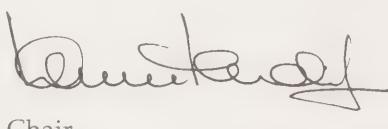
		1993	1992
		\$	\$
		[thousands]	
ASSETS			
Loans receivable	[note 3]	213,006	217,527
Equity and royalty investments	[note 4]	28,000	24,023
		241,006	241,550
Cash and short-term deposits		60,608	37,183
Accounts receivable		799	1,011
Investment in non-consolidated subsidiaries	[note 5]	9,972	8,588
Fixed assets-industrial parks	[note 6]	22,459	21,591
Total assets		334,844	309,923
LIABILITIES			
Accounts payable	- other	1,244	949
	- Northern Ontario Heritage Fund	586	595
		1,830	1,544
Commitments and contingencies	[notes 7 and 12]		
INVESTMENT BY THE PROVINCE OF ONTARIO			
Share capital of Ontario Development Corporation		7,000	7,000
Contributed capital, net of distributions		441,578	390,104
Advances	[note 8]	197,987	184,201
Accumulated net cost of operations		(289,249)	(252,665)
Due from Province		(24,302)	(20,261)
		333,014	308,379
Total liabilities and investment by the Province		334,844	309,923

See accompanying notes to combined financial statements

On behalf of the Boards:


 Chair
 Ontario Development Corporation


 Chair
 Innovation Ontario Corporation


 Chair
 Eastern Ontario Development Corporation


 Chair
 Northern Ontario Development Corporation

THE DEVELOPMENT CORPORATIONS

Combined Statement of Operations for the year ended March 31, 1993

		1993	1992
		\$	\$
		[thousands]	
REVENUE			
Interest on loans	[note 3]	16,248	19,528
Interest on short-term deposits		2,503	3,121
Net income from industrial parks	[note 6]	477	2,167
Gain on sale of investments		93	1,892
Other income		363	508
		19,684	27,216
EXPENSES			
Credit and investment losses (net of recoveries)	[note 9]		
Loans		10,677	17,218
Investments		4,144	5,425
Guarantees			
- New Ventures program		14,837	18,587
- Other		7,656	11,401
Interest subsidy payments		1,472	2,265
Technology royalty investments		3,600	1,882
Administration	[note 10]	15,266	15,757
		57,652	72,535
Net cost of operations before the following		37,968	45,319
Gain (loss) from non-consolidated subsidiaries	[note 5]	1,384	(1,026)
Net cost of operations	[note 11]	36,584	46,345

See accompanying notes to combined financial statements

THE DEVELOPMENT CORPORATIONS

Combined Statement of Investment by the Province of Ontario for the year ended March 31, 1993

	Ontario Development Corporation share capital \$	Contributed capital \$	Advances \$	Accumulated net cost of operations \$	Due from Province \$
	[thousands]				
Balance, March 31, 1992	7,000	390,104	184,201	(252,665)	(20,261)
Interest on advances		(11,833)			
Contributions to fund Investments of					
Innovation Ontario		9,133			
Technology royalty investments		3,600			
Other investments (disposal)		(1,311)			
Guarantee and other program costs		21,911			
Administration		15,266			
Forgiveness of advances		14,708	(14,708)		
New advances, net of repayments			28,494		
Net cost of operations for the year				(36,584)	
Net change in due from Province					(4,041)
Balance, March 31, 1993	7,000	441,578	197,987	(289,249)	(24,302)

See accompanying notes to combined financial statements

THE DEVELOPMENT CORPORATIONS

Combined Statement of Cash Flows for the year ended March 31, 1993

	1993	1992
	\$	\$
	[thousands]	
LENDING, INVESTING AND FINANCIAL ASSISTANCE ACTIVITIES		
Loan disbursements	(147,077)	(111,169)
Loan collections	136,542	98,859
Interest collected from borrowers	16,441	19,495
Disbursements for equity investments	(8,309)	(8,805)
Proceeds on sale of investments	734	891
Disbursements for guaranteees honoured and guarantee interest subsidies	(26,828)	(34,689)
Technology royalty investments	(3,600)	(1,882)
Net cash outflow for lending, investing and financial assistance activities	<u>(32,097)</u>	<u>(37,300)</u>
FINANCING ACTIVITIES		
Interest paid on Provincial advances	(11,833)	(12,353)
Advances from the Province	57,762	92,910
Repayments to the Province	(32,185)	(63,646)
Cash contributions from the Province for:		
Equity and technology royalty investments	11,422	12,088
Lending activities	34,523	45,059
Administration	15,266	15,757
Net receipts from (payments to) the Province for:		
Other agency loans under administration	0	545
Recoveries from borrowers of loan writeoffs and guaranteees honoured	(385)	(2,082)
Dividends paid	0	(1,000)
Other	<u>(6,496)</u>	<u>(13,404)</u>
Net cash inflow from financing activities	<u>68,074</u>	<u>73,874</u>
OPERATING ACTIVITIES		
Operating cash flow from industrial parks	3,330	3,236
Interest received on short-term deposits	2,503	3,168
Administration costs	(15,266)	(15,757)
Fixed asset additions	(3,228)	(7,478)
Research facility addition	0	(12,000)
Other	109	(950)
Net cash outflow for operating activities	<u>(12,552)</u>	<u>(29,781)</u>
Increase in cash and short-term deposits	23,425	6,793
Cash and short-term deposits, beginning of year	37,183	30,390
Cash and short-term deposits, end of year	<u>60,608</u>	<u>37,183</u>

See accompanying notes to combined financial statements

The Development Corporations

Notes to Combined Financial Statements

March 31, 1993

1. GENERAL

These financial statements combine the accounts of Ontario Development Corporation (ODC), Northern Ontario Development Corporation (NODC), Eastern Ontario Development Corporation (EODC) and Innovation Ontario Corporation (IOC). The Corporations are incorporated under the Development Corporations Act and, except for ODC, are corporations without share capital. As Ontario Crown Corporations, the Corporations are exempt from income taxes under Section 149 (1)(d) of the Canadian Income Tax Act.

The Corporations' objectives are to encourage and assist in the development and diversification of industry in Ontario. The Corporations provide financial assistance by making loans, guaranteeing loans, acquiring equity securities and operating industrial park facilities. They also administer certain activities on behalf of other Provincial ministries and agencies [see Note 11].

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transactions with the Province

The Province's investment in The Development Corporations is detailed in the Combined Statement of Investment by the Province of Ontario. In addition to the share capital, the Province contributes funds to finance the lending, investing and financial assistance activities and reimburses the Corporations for administrative operating costs. Credit and investment losses are recorded as a reduction in advances from the Province and an increase in contributed capital.

The Province's gross investment is reduced by advances repaid or forgiven, interest on funds advanced, dividends and recoveries of loan and guarantee losses.

(b) Loans receivable

Loans receivable are reported at the amount disbursed plus accrued interest, less principal repayments and amounts written off. No provision is made for the principal portion of doubtful loans in advance of a loan being partially or fully written off. A full provision is made for accrued interest on loans which are greater than 150 days in arrears.

Loans receivable include both loans made directly by the Corporations and loans administered for other Provincial ministries and agencies if one of the Corporations is a signatory to the loan agreement.

The Development Corporations

Notes to Combined Financial Statements

March 31, 1993

(b) Loans receivable(cont'd)

In addition to provisions for interest arrears, a loan is considered for write-off at the time any of the following circumstances exist:

- i) either principal or interest payments are greater than 180 days in arrears;
- ii) the loan is a restructured loan and principal or interest payments are greater than 90 days in arrears;
- iii) the loan previously has been partially written off; or
- iv) at any other time when, in management's view, the loan has suffered an impairment in value that is considered other than temporary.

Loans which meet any of the above criteria are written off unless management believes that the Corporations will recover some or all of the outstanding loan balance, in which case the loan is written down to the estimated net realizable value.

Loan losses in the Combined Statement of Operations are net of recoveries on loans previously written off.

(c) Equity investments

Equity investments are recorded at cost less provision for losses for those investments that, in management's opinion, have incurred an other than temporary decline in value. The provision is determined by management based upon their best estimates from the most current

information available to them. Establishing the value of an early stage investment, when there is no existing market for the shares, is very difficult. As such, if a provision for loss is made with respect to a specific investment, the provision would normally be for the full cost of the investment.

(d) Technology royalty investments

In specific instances, IOC will make an investment using a royalty arrangement rather than the purchase of equity. Given the uncertain nature, both with respect to timing and magnitude of future royalties, royalty investments are expensed as incurred.

(e) Revenue recognition

Interest income is recognized on the accrual basis, except for certain loans administered by the Corporations that permit the borrower to defer interest payments. For interest-deferred loans, interest that accrues during the deferred payment period is recognized in income when billed.

(f) Guarantees

Guarantee expenses are recognized at the date the Corporations honour a guarantee. No provision for anticipated guarantee losses is recorded in advance of requests to honour a guarantee. Guarantee losses in the Combined Statement of Operations are net of recoveries on guarantees previously honoured.

The Development Corporations

Notes to Combined Financial Statements

March 31, 1993

(g) Fixed assets

Industrial Parks

Fixed asset additions since the date the industrial parks and a research building were acquired by ODC have been capitalized in the accounts and are depreciated on a straight-line basis over the estimated useful lives of the assets at the following rates:

Buildings and improvements	5% to 20%
Equipment	20%

Other

Fixed assets for the Corporations' own use other than industrial park assets and the research building are expensed on acquisition and are included in administration expenses.

3. LOANS RECEIVABLE

Loans receivable include \$47.2 million [1992 - \$46.4 million] of loans administered on behalf of other Provincial agencies and ministries.

As at March 31, 1993, 5.9% of total loans receivable are floating-rate loans, with the balance of interest earning loans bearing fixed rates ranging from 4% to 14.5%. The weighted average interest rate on all interest-bearing loans was 9.4% at March 31, 1993 [1992 - 10.4%].

(h) Non-consolidated subsidiaries

The investments in three wholly-owned subsidiaries of ODC are accounted for by the equity method because of ODC's formal plan to dispose of the assets of the subsidiaries [see Note 5].

(i) Administration expenses

Administration expenses are recorded on a cash basis which is modified to allow for an additional sixteen days to pay for goods and services received during the fiscal year just ended.

Loans on which payments were past due by more than 90 days and 180 days amounted to \$20.4 million and \$11.8 million respectively [1992 - \$34.3 million and \$19.0 million, respectively].

As at March 31, 1993, \$22.0 million [1992 - \$13.9 million] of loans receivable were in interest deferral phase. Interest income will not be recognized on such loans until payments are received after the deferral period [see Note 2(e)].

The Development Corporations
Notes to Combined Financial Statements
March 31, 1993

4. EQUITY AND ROYALTY INVESTMENTS

	Number of Investees	1993 \$	1992 \$
		[thousands]	
Common shares	119	19,826	17,764
Preferred shares	32	8,174	6,259
Royalty investments	92	0	0
	243	28,000	24,023

The accumulated total disbursements related to technology royalty investments as at March 31, 1993 was \$9,067,000 [1992 - \$5,467,000].

5. INVESTMENT IN NON-CONSOLIDATED SUBSIDIARIES

IDEA Innovation Fund Inc., IDEA Research Investment Fund Inc. and IDEA Information Technology Fund Inc., which are wholly-owned by ODC, are accounted for by the

equity method [Note 2(h)]. Summarized combined information about the financial position and results of operations of these subsidiaries are provided below:

Financial position as at March 31:

	1993 \$	1992 \$
	[thousands]	
Cash	7,632	3,900
Investments	1,045	4,674
Other assets	1,295	14
	9,972	8,588

Represented by:

Advances from ODC	28,940	28,940
Capital stock	13,000	13,000
Deficit	(31,968)	(33,352)
	9,972	8,588

The Development Corporations
Notes to Combined Financial Statements
March 31, 1993

5. INVESTMENT IN NON-CONSOLIDATED SUBSIDIARIES (cont'd)

The advances from ODC are non-interest bearing with no fixed repayment terms.

Results of Operations for the year ended March 31:

	1993 \$ [thousands]	1992 \$ [thousands]
Gain on sale of investments	1,874	229
Interest and other income	84	32
	<u>1,958</u>	<u>261</u>
Loss on investments	550	1,243
Other expenses	24	44
	<u>574</u>	<u>1,287</u>
Net income (loss) for the year	1,384	(1,026)

6. INDUSTRIAL PARKS

The Corporation owns and operates Huron Industrial Park, located near London, Northam Industrial Park in Cobourg, Ottawa Life Sciences Technology Park in Ottawa, and Sheridan Park and a research building in Mississauga.

The combined results of operations of the parks for the year ended March 31 are as follows:

	1993 \$ [thousands]	1992 \$ [thousands]
Rental revenue	5,562	4,668
Interest income and other	990	1,358
Depreciation	(2,360)	(1,462)
Other operating expenses	(3,715)	(2,397)
Net income	<u>477</u>	<u>2,167</u>

The Development Corporations
Notes to Combined Financial Statements
March 31, 1993

6. INDUSTRIAL PARKS (cont'd)

The combined fixed assets of the industrial parks as at March 31 are as follows:

	Cost \$	Accumulated Depreciation \$	1993 Net \$	1992 Net \$
[thousands]				
Land	2,402	0	2,402	2,402
Buildings and improvements	26,468	15,921	10,547	9,063
Research building	10,000	600	9,400	10,000
Equipment	1,455	1,345	110	126
	40,325	17,866	22,459	21,591

Pursuant to the terms of an agreement between ODC and a group of borrowers, ODC obtained ownership of the research building and land contiguous to it on March 31, 1992, as consideration for the payment of a number of promissory notes held by ODC with a carrying value of

\$12,000,000. The building and land were valued at \$10,000,000 and \$2,000,000 respectively. It is ODC's intention to retain ownership of the building for the foreseeable future and continue to lease out the premises.

7. GUARANTEES

The Corporations guarantee the repayment of certain loans made by private sector financial institutions to qualifying Ontario businesses. ODC also guarantees certain obligations of the Ontario Share and Deposit Insurance Corporation (OSDIC). Under certain of the guarantee programs, The Corporations guarantee only a portion of loans outstanding. Furthermore, if certain

of the guarantees are required to be honoured, the funding to meet such obligations will be received from other ministries or agencies. Normally, no guarantee fees are charged to the borrowers or to the Province. At March 31, 1993, the Corporations' contingent liability and commitments under guarantees are as follows:

The Development Corporations
Notes to Combined Financial Statements
March 31, 1993

7. GUARANTEES (cont'd)

	Contingent liability under guarantees for loans advanced	Commitments to guarantee loans not yet advanced	Total contingent liability and commitments	Total contingent liability and commitments
	\$	\$	\$	\$
	[thousands]			
New Ventures Programs	57,535	2,214	59,749	76,080
OSDIC	41,140	53,860	95,000	95,000
Algoma Steel	5,000	105,000	110,000	110,000
Other Guarantees	126,431	47,842	174,273	152,653
	230,106	208,916	439,022	433,733

Subsequent to March 31, 1993, ODC honoured approximately \$0.8 million [1992 - \$1.8 million] of guarantees for which demands for payment had been received

prior to year-end. Consistent with the accounting policy described in note 2 (f), this amount will be recognized as an expense in the next fiscal year.

8. ADVANCES

Advances from the Province are used to fund loans. The advances have no fixed maturity dates and are forgiven by the Province if the related loan receivable proves uncollectible.

Certain of the advances related to specific programs are interest free. At March 31, 1993, \$110.4 million [1992 - \$112.4 million] of advances were interest bearing,

with the balance of \$87.6 million [1992 - \$71.8 million] being interest free.

Included in advances and cash is \$7.1 million (1992-\$3.1 million) received from Northern Ontario Heritage Fund Corporation (NOHFC). This cash can only be used to fund NOHFC loans as directed by the board of directors of NOHFC.

The Development Corporations
Notes to Combined Financial Statements
March 31, 1993

9. CREDIT AND INVESTMENT LOSSES

Credit and investment losses shown in the Combined Statement of Operations are net of recoveries as follows:

	Loans \$	Investments \$	New ventures guarantees \$	Other guarantees \$
[thousands]				
Write-downs/ guarantees honoured	15,943	4,144	17,183	8,173
Less recoveries	(5,266)	0	(2,346)	(517)
Net expense 1993	10,677	4,144	14,837	7,656
Net expense 1992	17,218	5,425	18,587	11,401

10. ADMINISTRATION

Administration expenses for the year ended March 31 are as follows:

	1993 \$	1992 \$
[thousands]		
Salaries and benefits	11,445	11,163
Transportation and communication	1,122	1,290
Services	2,149	2,707
Supplies and equipment	550	597
	15,266	15,757

The Corporations provide pension benefits for all their permanent staff through participation in the Public Service Pension Fund, established by the Province of Ontario. The Corporations' share of contributions to the Fund during the year was \$825,600 [1992 - \$968,500] and is included in salaries and benefits. This amount includes current contributions and additional payments required to cover the

Corporations' share of the Fund's unfunded liabilities on January 1, 1990. These additional payments commenced in 1990 and will continue over forty years.

The Corporations had thirty-nine members on their Boards on March 31, 1993. The remuneration of the directors for 1993 totalled \$183,477 [1992 - \$205,572].

The Development Corporations
Notes to Combined Financial Statements
March 31, 1993

11. ACTIVITIES ADMINISTERED BY THE DEVELOPMENT CORPORATIONS

The Corporations are responsible for a wide variety of activities, including activities managed on behalf of other ministries and agencies of the Province of Ontario. The Schedule of Activities Administered by the Corporations, Schedule 1, summarizes the activities administered at March 31, 1993, other than industrial park operations. (Note 6 provides information about the industrial parks.)

The Schedule of Activities Administered includes loans, debentures

and equity investments that are included in the Combined Balance Sheet. The schedule also includes loans guaranteed by the Corporations, as well as certain loans, equity investments and repayable grants administered for other ministries and agencies. These additional activities are not included in the Combined Balance Sheet.

The total activity amounts included in the schedule differ from amounts reported in the Combined Balance Sheet as follows:

	1993 \$ [thousands]	1992 \$
Loans and investments per combined balance sheet:		
Loans receivable	213,006	217,527
Equity investments	28,000	24,023
Investment in non-consolidated subsidiaries	9,972	8,588
Total loans and investments per combined balance sheet	250,978	250,138
Other activities administered:		
Loans of other ministries and agencies	133,804	158,569
Loans guaranteed	377,729	368,722
Repayable grants/conditional loans	142,134	163,044
Investment in Varity Corporation	1,634	16,900
Net assets (liabilities) of non-consolidated subsidiaries excluding investments and loans	(8,927)	(3,919)
Total other activities administered	646,374	703,316
Total activities per Schedule of Activities Administered	897,352	953,454

The Development Corporations
Notes to Combined Financial Statements
March 31, 1993

11. ACTIVITIES ADMINISTERED BY THE DEVELOPMENT CORPORATIONS (cont'd)

Under certain guarantee programs, The Development Corporations guarantee only a portion of outstanding loans. Guaranteed loans disclosed above and in the Schedule of Activities Administered represent the total value of loans for which guarantees have been committed, which exceed The Development Corporations' contingent liability under guarantees [see Note 7].

The Combined Statement of Operations includes revenue and expenses related to activities administered on behalf of other provincial ministries and agencies. The schedule which follows separates the revenue and expenses related to the Corporations' own activities and those administered on behalf of others.

	Corporations' own activities	Administered activities	Total
	\$	\$	\$
[thousands]			
Revenue			
Interest on loans	15,131	1,117	16,248
Interest on short-term deposits	2,503	0	2,503
Net income from industrial parks	477	0	477
Gain on sale of investments	93	0	93
Other income	363	0	363
	18,567	1,117	19,684
Expenses			
Credit and investment losses (net of recoveries)			
Loans	10,645	32	10,677
Investments	4,144	0	4,144
Guarantees			
New Ventures program	0	14,837	14,837
Other	3,811	3,845	7,656
Interest subsidy payments	69	1,403	1,472
Technology royalty investment	3,600	0	3,600
	22,269	20,117	42,386
Administration			
			15,266
Gain from non-consolidated subsidiaries			57,652
Net cost of operations			1,384
			36,584

In addition to the expenses included above, the Corporations paid to the Province interest on advances for direct activities amounting to \$11,833,000.

**The Development Corporations
Notes to Combined Financial Statements
March 31, 1993**

12. COMMITMENTS AND CONTINGENCIES

- (a) See Note 7 for information on guarantees.
- (b) Commitments at March 31, 1993, to make loans and investments and to provide guarantees are disclosed at the foot of the Schedule of Activities Administered (Schedule 1).

13. COMPARATIVES

Certain of the prior year's comparatives have been restated to conform with the current year's presentation.

Schedule 1
Activities Administered by the Development Corporations

	As At March 31, 1993			Total March 31, 1993 (\$000's)			Total March 31, 1992 (\$000's)	
	Loans and Debentures Number (\$000's)	Loans Guaranteed Number (\$000's)	Equity Investments/ Royalty Interests Number (\$000's)		Repayable Grants/ Conditional Loans Number (\$000's)		March 31, 1993 (\$000's)	March 31, 1992 (\$000's)
Business Sector/Program								
Manufacturing	1,111	130,488	120	78,726	1	1,634	512	134,374
High Technology	55	35,561			245	29,045		
Export	143	16,828						
Tourism	625	55,114	223	60,181		1	501	115,796
Special Agency Programs:								
MEDT	15	104,995					104,995	111,061
New Ventures			13,679	197,682			197,682	210,982
Credit Unions (deposit insurance)			1	41,140			41,140	50,250
Other	48	3,824				2	7,259	11,083
Total Outstanding at March 31, 1993	1,997	346,810	14,023	377,729	246	30,679	515	142,134
Corporation								
Ontario Development Corporation (excl. Special Agency Programs)	883	108,067	196	72,297	4	2,970	34	88,496
Northern Ontario							477	53,481
Development Corporation	612	60,903	73	45,024			157	159,408
Eastern Ontario								144,223
Development Corporation	445	43,062	74	21,586			4	64,805
Innovation Ontario Corporation	9	974			242	27,709		68,905
Ontario Development Corporation (Special Agency Programs)	48	133,804	13,680	238,822				24,370
Total Outstanding at March 31, 1993	1,997	346,810	14,023	377,729	246	30,679	515	142,134
Total Outstanding at March 31, 1992	2,066	376,096	14,147	368,722	209	45,592	479	163,044
Commitments at March 31, 1993	643	222,001	57	152,831	26	5,187		380,019
								359,146
								953,454

Our Offices

The Development Corporations have 14 field offices across the province, staffed by experienced business development specialists who can offer advice on which financial services are best-suited to an individual company's needs. They also assist with the initial application process and maintain regular contact with client companies.

ODC FIELD OFFICES

Central Region

Bracebridge*
23-2 Ball's Drive
Bracebridge, Ontario
P1L 1T1
(705) 645-1175
1-800-465-9875

Hamilton
Bank of Montreal Tower
1 James Street North
Suite 200
Hamilton, Ontario
L8R 2K3
(905) 521-7785
1-800-263-9293

Mississauga
4 Robert Speck Parkway
Suite 1140
Mississauga, Ontario
L4Z 1S1
(905) 279-9150
1-800-668-0412

Southwestern Region

Kitchener
30 Duke St. West
Suite 906
Kitchener, Ontario
N2H 3W5
(519) 744-1991
1-800-265-2428

London
195 Dufferin Ave.
Suite 607
London, Ontario
N6A 1K7
(519) 433-2871
1-800-265-4746

Windsor

Ontario Government Building
250 Windsor Avenue, Room 227
Windsor, Ontario
N9A 6V9
(519) 252-8455
1-800-265-1345

NODC FIELD OFFICES

North Bay

147 McIntyre Street West
2nd Floor
North Bay, Ontario
P1B 2Y5
(705) 472-4900
1-800-461-1687

Sault Ste. Marie

Roberta Bondar Place
70 Foster Drive, Suite 200
Sault Ste. Marie, Ontario
P6A 6V8
(705) 945-5922
1-800-461-2287

Sudbury

159 Cedar Street, 4th floor
Sudbury, Ontario
P3E 6A5
(705) 670-7034
1-800-461-1196

Thunder Bay

435 James Street South
3rd Floor
Thunder Bay, Ontario
P7C 5G6
(807) 475-1655
1-800-465-5060

Timmins

273 Third Avenue
Suite 200
Timmins, Ontario
P4N 1E2
(705) 264-1323
1-800-461-9848

EODC FIELD OFFICES

Kingston

1055 Princess Street, Suite 308
Kingston, Ontario
K7L 5T3
(613) 545-4445
1-800-267-7848

Ottawa

Place de Ville, Tower B
850-112 Kent St.
Ottawa, Ontario
K1P 5P2
(613) 566-3707
1-800-267-6592

Peterborough

139 George Street North
Peterborough, Ontario
K9J 3G6
(705) 742-3490
1-800-461-6429

INNOVATION ONTARIO

56 Wellesley Street West
7th Floor
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M7A 2E7
(416) 326-1025
1-800-463-7875

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4 Robert Speck Parkway
Suite 1160
Mississauga, Ontario
L4Z 1S1
(905) 279-1140
1-800-387-0070

* also services NODC/EODC

** Pilot program in limited areas



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